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No.

Supreme Court, U.S.
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IN THE
SUPREME COURT OF THE UNITED STATES
OCTOBER TERM, 1991

ROBERT J. RYDEEN,

Petitioner,

v.

DONALD J. QUIGG, HONORABLE
COMMISSIONER OF PATENTS AND TRADEMARKS,

Respondent.

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

PETITION FOR WRIT OF CERTIORARI

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December 3, 1991

QUESTIONS PRESENTED

Petitioner seeks from respondent, Commissioner of Patents and Trademarks—"PTO," the remedial relief of reinstatement of his patent under 35 U.S.C. §41(c)(1). Petitioner specifically urges this Court to interpret said §41(c)(1) to permit his delay in paying a fee on his patent to qualify as an "unavoidable" delay where it was occasioned by the PTO's failure to give him timely notice of the fee being due. Two independent questions are presented:

(1) In view of legislative history of §41(c)(1), including the century-old "unavoidable delay" standard of another patent section never resulting in loss of rights unless the PTO first gives timely notice, should the PTO be required, under the doctrine requiring that delegations by Congress be guided by an "intelligible principle," to interpret §41(c)(1) in accord with the century-old standard?

(2) Alternatively, does due process require implemented timely notice of the fee being due such that §41(c)(1) would frustrate due process unless interpreted to allow the mentioned delay to qualify as unavoidable?

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No opinion was issued by the United States Court of Appeals for the Federal Circuit.

The opinion of the United States District Court for the District of Columbia is reported at 748 F. Supp. 900 and at 16 USPQ2d 1876 (1990), and is reprinted in the appendix at p. 23A,[1] *infra*.

The opinion of the Commissioner of Patents and Trademarks is reported at 7 USPQ2d 1798 (1988), and is reprinted in the appendix hereto at p. 40A, *infra*.

JURISDICTION

On October 18, 1990, the United States District Court for the District of Columbia, whose jurisdiction arose under 28

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[1]Only page numbers ending with an "A" are in the attached appendix.

U.S.C. §1338(a), entered judgment denying relief to petitioner.

Petitioner appealed to the United States Court of Appeals for the Federal Circuit, invoking that court's jurisdiction under 28 U.S.C. §1295(a)(1). On June 11, 1991, the Court of Appeals, affirming the district court without opinion, entered judgment adverse to petitioner. On September 4, 1991, the appeals court denied a petition for rehearing.

The jurisdiction of this Court to review the judgment of the appeals court by writ of certiorari is invoked under 35 U.S.C. §1254(1).

STATUTES AND CONSTITUTIONAL PROVISIONS INVOLVED

The remedial statute. The statute whose interpretation by the PTO is at issue is 35 U.S.C. §41(c)(1), providing in relevant part:

> "The [PTO] may accept the payment of any maintenance fee * * * after the six-month grace period if the delay is shown to the satisfaction of the [PTO] to have been unavoidable. * * * * If the [PTO] accepts payment of a maintenance fee after the six-month grace period, the patent shall be considered as not having expired at the end of the grace period."

Related statute. Related to the foregoing statute is 35 U.S.C. §41(b), providing in relevant part:

> "The [PTO] shall charge the following fees for maintaining a patent in force: * * * Three years and six months after grant, $400. * * * Unless payment of the applicable maintenance fee is received in the Patent and Trademark Office on or before the date the fee is due or within a grace period of six months thereafter, the patent will expire as of the end of such grace period."

Delegation from Congress. Relating only to the first independent question presented, the Constitution provides in relevant part that "[t]he Congress shall have the Power * * * [t]o make all laws which shall be necessary and proper for carrying into execution the foregoing Powers" (Art. I, §8, ¶18), but that "[a]ll legislative Powers herein granted shall be vested in a Congress of the United States" (Art. I, §1).

Due process. Relating only to the second independent question presented, the Fifth Amendment to the Constitution provides in relevant part that "[n]o person * * * shall be deprived of * * * property without the due process of law."

Just compensation clause. Relating to Point II of the Reasons for Granting the Writ, the Fifth Amendment provides in relevant part that "private property [shall not] be taken for public use, without just compensation."

Prior "unavoidable delay" provisions. Reproduced in the appendix hereto are 35 U.S.C. §133 and its predecessors, all defining the remedial standard of "unavoidable delay" (p. 50A, *infra*).

STATEMENT OF THE CASE

Petitioner is the owner of U.S. patent 4,409,763, granted on October 18, 1983. Four years after its grant, petitioner's patent expired automatically[2] when he did not pay a $200[3] fee by the end of a six-month grace period for payment.

Lack of timely notice. The PTO's failure to provide *timely* notice of the fee being due resulted in petitioner missing the payment deadline[4]—"timely" notice being

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[2]As provided by 35 U.S.C. §41(b), "[u]nless payment of the * * * fee is received * * * on or before the date the fee is due or within a grace period of six months thereafter, the patent will expire as of the end of such grace period."

[3]Petitioner was charged a reduced fee as a small entity.

[4]2/88 Rydeen affidavit, p. 2.

defined by petitioner as notice *at or near the start* of a period in which a response is due; *see* petitioner's main brief on appeal below at pp. 36 & 40. In responding to such brief of petitioner, the PTO admitted "the *fact* that [it] did not give [petitioner] what he believes should have been 'timely' notice" (PTO's appeal brief below, p. 11; emphasis added). Such admission, made on appeal after the district court's opinion was issued, supersedes the district court's discussion of facts.

After exhausting his administrative remedies before the PTO, petitioner started this suit on June 30, 1988 in the United States District Court for the District of Columbia. The court's jurisdiction arose under 35 U.S.C. §1338(a).

The district court's demonstrated inclination to prejudge the case. After the PTO had filed a summary judgment motion attempting to cast blame for not paying the maintenance fee on the attorney who 3½ years earlier had obtained petitioner's patent[5], but before any factual or legal response by petitioner, the district court demonstrated an inclination to prejudge the case.

Thus, at an October 18, 1988 oral argument on a discovery motion of petitioner, the district court—not realizing that he, in effect, was addressing the "tip of an iceberg" of many similar cases[6]—declared to the attorney that "[t]he real reason you are in court today is because you dropped the ball. That's basically the trouble and you are trying to get yourself out of a difficult position * * * ."[7] When, arguing on the discovery motion, the attorney asserted

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[5]Thus, the PTO's 8/88 summary judgment memorandum asserts, for instance, that "prudent action by [the attorney] has not been demonstrated" (p. 8).

[6]See Point I of Reasons for Granting the Writ, *infra*.

[7]Transcript of 10/18/88 status hearing, p. 6.

his resolute conviction that the case was meritorious[8]—a conviction grounded on an astonishing 500 hours prior work largely on the intricate constitutional issues involved, the district court's response was swift and dramatic.

The court ruled at the October 18 hearing that there would be no oral argument on the summary judgment motion.[9] His concluding remarks, already alluding to an adverse decision, were:

> "[I]f we decide against you, all you've got to do is go * * * to the court of appeals where there are a number of ladies and gentlemen who sometimes are ready and willing and able to tell me that I'm wrong. *But we have had a number of cases very similar to this and I think I know what the problem is.*"[10]

Then, within hours of the hearing—and well before petitioner had responded to the to the PTO's summary judgment motion, the district court's office telephoned the PTO Solicitor to advise him that, at the conclusion of the case, the court would entertain a motion for sanctions against the

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[8]Transcript of 10/18/88 status hearing, pp. 6-7 (to emphasize his conviction on the merits, the attorney stated that he "guarantee[d]" the case could be won).

[9]*See* transcript of 10/18/88 status hearing, p. 12 ("we will consider this case on the papers").

[10]Transcript of 10/18/88 status hearing, p. 12 (emphasis added).

attorney for bringing a frivolous suit.[11]

The foregoing matter has not been raised before, but is being done so now in the interests of justice.

Continued criticism of the attorney. When responding to the PTO's summary judgment motion after the status hearing, petitioner submitted affidavits of both petitioner and the attorney showing that the attorney had never been "hired, engaged, or even requested" to pay maintenance fees on petitioner's patent.[12] The district court, in response, acknowledged such lack of retainer to pay the fees, but still criticized the attorney. Such criticism[13]—inherently directed against many like-situated attorneys[14]—is deemed questionable in the context of the history of the "unavoidable delay" standard, and is thus advanced as one of the Reasons for Granting the Writ (Point I, *infra*).

The court eventually rendered judgment, albeit adverse to petitioner, on October 18, 1990, more than a year and a half after the last summary judgment brief was filed, and only after repeated inquiries by petitioner's attorney.

District court opinion—the controlling law. The district court opinion stands as the controlling law and is discussed extensively below in view of the affirmance without opinion by the court of appeals.

Petitioner's "delegation" argument. One of the two,

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[11]It was on the strength of the sanctions offer that a partner at the attorney's firm exerted great pressure on the attorney to "drop" the planned cross-motion for summary judgment—the partner having learned of the sanctions offer from the PTO Solicitor, a former co-working colleague of his at the PTO. The attorney—steadfast in his conviction—resisted such pressure, but his career at the firm dimmed suddenly and he was eventually ousted over the matter.

[12]Rydeen and Bruzga 11/88 affidavits, resp. at pp. 1-2 and pp. 1-5 .

[13]P. 35A n.9, *infra*.

[14]See Point I of Reasons for Granting the Writ, *infra*.

independent arguments on the merits advanced by petitioner is that delegations from Congress to the Executive Branch must be guided by an "intelligible principle" to avoid invalidity, and that such guidance arises here from, e.g., the identically phrased standard of "unavoidable delay" of another, century-old section of the patent statute never resulting in loss of rights absent timely notice.

Crucial distinction between "interpreted" notice vis-à-vis §41(c)(1) and implemented notice overlooked below. The relief sought by petitioner is only for an interpretation of 35 U.S.C. §41(c)(1) to permit his delay in payment—occasioned by lack of timely notice—to qualify as "unavoidable." At least with regard to petitioner's "delegation" argument, such relief does not additionally seek to impose on the PTO a duty to actually implement timely notice. This distinction between "interpreted" notice vis-à-vis §41(c)(1) and implemented notice has been overlooked by the PTO and the district court alike.

Thus, the "flagship" argument of the PTO decision below, as summarized by the district court, is that:

> "1) [M]ailing of the [timely] fee reminder notices is merely a courtesy; 2) under the statutes and regulations the PTO has no duty to inform [patent owners] when their maintenance fees are due; [and] 3) the lack of a [timely] reminder notice will not shift the burden of monitoring the time for paying a maintenance fee from the [patent owner] to the PTO." (District court opinion, pp. 27A-28A, *infra*.)

But such "flagship" argument will be seen on close scrutiny as non-responsive to petitioner's "delegation" argument. To illustrate, under the PTO's flagship argument, petitioner bears the burden of monitoring time for payment—timely notice or not; if he misses payment, he

cannot seek damages for the automatic expiration[15] of his patent. But petitioner seeks not damages; he seeks merely reinstatement of his patent through interpretation of §41(c)(1) as intended by Congress when enacting such provision years before the PTO's flagship argument was "launched."

It is true that the district court referred to a "no-timely-notice" interpretation of 35 U.S.C. §§41(b) *and* 41(c)(1) (e.g., p. 28A, *infra*). However, the court acknowledged that such expression relates to whether the PTO has a statutory duty to notify patent owners when their fees are due (*id.*)—i.e., an implemented notice.

In discussing "separation of powers," the closest area to petitioner's "delegation" argument, the district court denied relief to petitioner, reasoning that "the [PTO] was authorized to decide that [it] will have no duty to *provide* extra notice" (pp. 37A-38A, *infra*; emphasis added). The court thus embraced the issue of whether implemented notice is required, not the genuine issue of whether "interpreted" notice vis-à-vis §41(c)(1) is required.

Accordingly, the district court—deciding the case on a non-genuine issue—never probed the depths of petitioner's "delegation" argument.

Petitioner's due process argument. Petitioner's second, independent argument on the merits is that due process requires timely notice of a "proceeding" that may adversely affect property—such proceeding here being the non-adjudicatory proceeding of the pendency of petitioner's fee being due, relying on *Mullane v. Central Hanover Bank & Trust Co.*, 339 U.S. 306 (1950). Accordingly, the argument continues, §41(c)(1) should be interpreted to qualify a delay as "unavoidable" where occasioned by lack of timely notice to avoid frustrating due process.

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[15] *Supra* note 2.

The district court's narrow reading of *Mullane* as applying only to non-adjudicatory proceedings. The district court's narrow reading of the term "proceeding" in *Mullane* is crucial to bear in mind to appreciate the court's discussion of due process.

The district court "distinguish[ed] between *proceedings* and legislative enactments" (p. 35A, *infra*; emphasis added)—the latter apparently intended to include the instant legislative enactment, 35 U.S.C. §41(b), creating the non-adjudicatory proceeding of the maintenance fee being due[16] and providing for patent expiration if the fee is not timely paid.[17] Further, at p. 36A, *infra*, the district court equates "proceedings" with the PTO's "adjudication" below.

Thus, a "proceeding," according to the district court, connotes adjudication, and excludes the instant *non*-adjudicatory proceeding of the maintenance fee being due.

The district court acknowledged petitioner's due process claim to "mailed notice a reasonable amount of time before expiration of his patent informing him that his maintenance fee was due (p. 34A, *infra*); however, the court interpreted *Mullane* as applying "'[w]here the names and addresses of those affected by a *proceeding*'"—i.e. adjudication according to the district court—"'are at hand'" (*id.*, quoting from *Mullane*, at 318; emphasis by district court). In other words, according to the district court, petitioner's reliance on *Mullane* was "misplaced" because he "is not challenging the notice he received informing him of the pendency of proceedings"—i.e. the PTO adjudication below.

The district court's narrow reading of *Mullane* is

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[16]§41(b) provides in relevant part that "[t]the [PTO] shall charge the following fees for maintaining a patent in force: * * * Three years and six months after grant, $400."

[17]*Supra* note 2.

challenged below.

The district court's secondary reliance on *Texaco, Inc. v. Short*. With petitioner's main due process claim thus dismissed, the district court apparently attempts to be thorough by also dismissing petitioner's alternative[18] due process argument that "he received insufficient notice of the effect of the patent statute—namely, that his patent would expire unless he paid his * * * fee [as prescribed by statute]" (p. 34A, *infra*). The district court ruled that petitioner was not entitled to any notice beyond publication of the statute, relying on *Texaco, Inc. v. Short*, 454 U.S. 516 (1982) (p. 34A, *infra*).

The district court's analysis of *Texaco, Inc. v. Short*, which makes no attempt to compare the facts of that case with the instant facts, is challenged below.

The court's further reliance on the *North Laramie* case. The district court further relied on *North Laramie Land Co. v. Hoffman*, 268 U.S. 276 (1925), apparently for the proposition that as long as the property owner is given a "reasonable opportunity *at some stage of the proceedings*" to protect his property from arbitrary or unjust appropriation, due process is subserved (pp. 35A-36A, *infra*, quoting from *North Laramie*, at 283; emphasis by district court). The district court ruled that petitioner had such an opportunity at the PTO adjudication below (p. 36A, *infra*).

Such reliance on *North Laramie* is challenged below.

Other arguments not pursued. Since only petitioner's "delegation" and due process arguments were pursued on appeal, no comment is made on the district court's discussion of other arguments, such as under the Administrative Procedure Act.

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[18]Such argument was even designated "alternative" in petitioner's 11/88 summary judgment memorandum at p. 29.

The reluctance of the court of appeals to embrace the district court decision. Lower courts throughout the nation look to the Court of Appeals for the Federal Circuit, which heard this case, for guidance on the patent statute, owing to its exclusive appellate jurisdiction in patent cases.[19] However, despite this case being a patent case of first impression on recently applied 35 U.S.C. §41(c)(1),[20] the appeals court ruled in its judgment that "[its affirmance] is not citable as precedent" (p. 22A, *infra*).

REASONS FOR GRANTING THE WRIT

I. For the first time in history, the "unavoidable delay" standard is being applied to deny remedial relief where a response date was missed due to lack of timely notice of such date, resulting in a loss of patent rights that is widespread, draconian, and unrelenting.

Departure from history. Prior to the PTO's interpretation of recently applied 35 U.S.C. §41(c)(1),[21] the "unavoidable delay" standard was never applied to deny remedial relief when a response date was missed due to lack of "timely" notice of such date.

"Timely" notice was defined by petitioner as notice given *at or near the start* of a period in which a response is due;

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[19]Such exclusive appellate jurisdiction arises under 28 U.S.C. §1295(a)(1) over all patent-related cases brought in the United States district courts, which, in turn, have exclusive original jurisdiction over patent-related cases pursuant to 28 U.S.C. §1338.

[20]Application of 35 U.S.C. §41(c)(1) by the PTO only started with significance in 1987, based on the number of petitions filed seeking relief under that provision.

[21]*Id.*

see petitioner's main appeal brief below at pp. 36 & 40.[22] In responding to petitioner's brief, the PTO admitted "the *fact* that [it] did not give [petitioner] what he believes should have been 'timely' notice" (PTO's appeal brief below, p. 11; emphasis added).

For more than a century before the "unavoidable delay" provision at issue, §41(c)(1), was enacted in 1982, Congress repeatedly enacted "unavoidable delay" provisions in seriatim—namely 35 U.S.C. §133 and its predecessor provisions. Section 41(c)(1) relates to loss of rights through expiration of a granted patent—a recent phenomenon arising from the recent advent of maintenance fees on granted patents under 35 U.S.C. §41(b). Section 133 and its predecessors relate to loss of rights through abandonment of an application for patent—an ancient phenomenon.

It is undisputed that, in effect, the century-old "unavoidable delay" standard of 35 U.S.C. §133 and its predecessors excuses all delays occasioned by lack of a notice at or near the start of a response period—i.e. a "timely" notice as defined above (pp. 50A-52A, *infra*). This is because, under §133 and predecessors, "unavoidable" delay need only be shown for delays following a timely notice as defined above (*id.*).

Section 41(c)(1) more broadly requires that (any) delay—occasioned by lack of timely notice or not—beyond the end of the six-month grace period need be shown as unavoidable to prevent loss of rights (p. 2, *supra*). But there is no suggestion that Congress intended §41(c)(1)'s unavoidable delay standard to result in loss of rights where the prior standard never did.

Guidance needed. In the only judicial opinion in this—or

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[22]Only page numbers ending with an "A" are in the attached appendix.

any other—case, however, the district court found, in effect, that the PTO was entirely unrestrained by the history of the unavoidable delay standard, that it could interpret §41(c)(1) to result in loss of rights without timely notice. This is so, the court sweepingly reasoned, because delegations of power are "necessary" to prevent the "exertion of legislative power" from becoming a "futility" (p. 38A, *infra*). But this flatly ignores the overriding rule that delegations must be guided by an "intelligible principle"—such as the foregoing history of the "unavoidable delay" standard—to avoid invalidity. *National Cable Television Assoc., Inc. v. United States*, 415 U.S. 336, 342 (1974), *cited with approval in Florida Power & Light Co. v. United States*, 846 F.2d 765, 773-74 (D.C. Cir. 1988), *cert. denied*, 490 U.S. 1045 (1989).

Balance of equities. Further legislative history reveals that a purpose of §41(c)(1) is to "avoid an inequitable loss of patent rights."[23] The district court failed to acknowledge this history, and thus overlooked the devastating loss encountered by petitioner, crippling the ability of his patent-based business to continue (Rydeen 2/88 declaration, p. 2).

On the balance of equities, however, the court ruled that the PTO has the power to decide whether it will "*provide* any additional notice," i.e. a burden on the PTO (pp. 37A-38A, *infra*, emphasis added). The court's focus on the duty to implement timely notice is misguided. Petitioner merely seeks an interpretation of §41(c)(1) to qualify as "unavoidable" a delay resulting from lack of timely notice—i.e., an "interpreted" notice vis-à-vis §41(c)(1), not implemented notice. The burden merely to so interpret is little or none.

The balance of equities is lopsided; §41(c)(1)'s purpose of

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[23]H. Rep. No. 542, 97th cong., 2d Sess., *as reprinted in* 1982 U.S. Code Cong. & Admin. News 765, 772.

avoiding an inequitable loss of rights is unmet.

Widespread loss of rights. The PTO's interpretation of §41(c)(1), precluding reliance on "interpreted" timely notice vis-à-vis §41(c)(1), has resulted in loss of patent rights for a potentially vast number of patent owners.

The PTO practice of discouraging petitions based on lack of timely notice[24]—or the closely related[25] category of lack of knowledge of PTO rules or procedures[26]—makes it nigh impossible to know exactly how many patents at issue remain expired. Owing to such discouragement, the patents at issue likely include a significant share of over 10,000 patents that expire every year[27] when maintenance fees are not paid—and also a share of such patents for owners who, not notified by mail, are simply unaware that their patents have expired for lack of fee payment; if only 1 in 20 of such expirations are affected, then thousands of patents are at issue.

The affected patents also likely include a sizable share of the 250 or so expired patents a year[28] on which patent owners have gone to the trouble and expense of petitioning

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[24]E.g., the published PTO opinion below, 7 USPQ2d 1798, pp. 43A-44A, *infra* ("petitioner should not have relied on receipt of the reminder notice as the sole means to ensure timely payment of the maintenance fee").

[25]I.e., lack of knowledge of the law is cured by timely notice, whose recipient would naturally pay the fee (e.g., Rydeen 2/88 declaration, p. 2).

[26]*Supra* note 24, at p. 45A, *infra* ("petitioner's lack of actual knowledge of the PTO's rules and procedures is not unavoidable within the meaning of 35 U.S.C. §41(c)(1)").

[27]Based on PTO Annual Reports.

[28]This is the average number of patents affected for fiscal years 1988-90, assuming—since data is unavailable—that each patent had an average of 1.5 petitions (original and follow-up) filed on the annual average of 373 petitions.

to have fees accepted as unavoidably delayed.

Remarkably, despite PTO discouragement, hundreds of patent owners have petitioned to show unavoidable delay on lack of notice/knowledge grounds; however, such grounds have been rejected in all but a trivial number of cases.[29]

The patent owners' plight, moreover, worsens with time. The non-extendable 17-year "lives" of their patents are wasting; they urgently seek redress.

Aggrieved attorneys too. Adding to the ranks of the aggrieved is the district court's questionable criticism of the attorney hired to obtain the patent, but not to pay ensuing maintenance fees (p. 35A n.9, *infra*). The court suggested, that to avoid "foreseeable" prejudice to the client's rights before ending representation, the attorney should have advised the client of the "risks" of proceeding without legal representation (*id.*). However, this presumably means to advise the client that the PTO might subsequently interpret §41(c)(1) at odds with the century-old standard of "unavoidable delay;" this may not have been "foreseeable" at all.

Such questionable criticism invites questionable malpractice claims against the many attorneys involved.

II. Early review of this case of first impression is warranted to limit potentially massive liability being incurred by the PTO in future proceedings if it is obligated to *implement* timely notice.

Potential liability in future proceedings. Unlike the foregoing "delegation" argument, petitioner's due process argument asserts that the PTO is obligated to actually

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[29]Based on analysis of available data from the PTO Petitions Office and from the PTO Petitions Database, Annual Reports, and decisions on petition.

implement timely notice. Such an obligation could give rise in future proceedings to financial liability of the part of the PTO, which, given the potentially vast number of patents at issue, could be massive. Liability may be asserted, for instance, under the Fifth Amendment requirement that "private property"—i.e. a patent—"[shall not] be taken for public use" (the natural consequence of expiring) "without just compensation."

As shown below, the district court—in the only judicial opinion in this case of first impression—dismissed petitioner's main due process argument on a distinction between adjudicatory and *non*-adjudicatory proceedings that is flatly opposed by rulings of this Court. By affirming the district court without opinion, the court of appeals instills in the PTO a potentially false security on the duty to implement timely notice.

An early review of this case and order for the PTO to interpret §41(c)(1) to allow patent reinstatement, as urged by petitioner, would end the PTO's exposure to liability. The interpretation could be solely on the "delegation" ground discussed in point I, *supra*.

The district court's distinguishing of *Mullane* is flatly opposed by rulings of this Court. Petitioner relies on *Mullane v. Central Hanover Bank & Trust Co.*, 339 U.S. 306 (1950), as upholding the due process-mandated duty to provide timely mail or equivalent notice to those affected by a proceeding (*id.*, at 318)—namely, the non-adjudicatory fee-payment "proceeding" of his maintenance fee being due. It is unquestioned that such proceeding "affects" petitioner because, under 35 U.S.C. §41(b), it results in expiration of his patent if the fee is not timely paid.[30] The district court, however, dismissed petitioner's argument, reading *Mullane*

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[30]*Supra* note 2.

as not applying to "proceedings" unless they are adjudicatory[31] in nature—a decision reached sua sponte, without either party having raised the point.

This key ruling on petitioner's main due process argument, however, is flatly opposed by rulings of this Court in, e.g., *Tulsa Professional Collection Services, Inc. v. Pope*, 485 U.S. 478 (1988). The *Pope* Court squarely faced the issue and held it "[un]necessary for a proceeding to directly adjudicate the merits of a claim" to warrant the protection of due process-mandated notice as sought here (*id.*, at 488). *See also Pope, id.* (although "the tax sale *proceedings* [in *Mennonite Board of Missions v. Adams*, 462 U.S. 791 (1983)] did not address the merits of the mortgagee's claim," the Court still "held that due process required that the mortgagee be given actual knowledge of the tax sale")(emphasis added). *Mennonite* was cited to the district court.[32]

The district court failed to consider the issue of abandonment on petitioner's alternative due process argument. The district court relied on *Texaco, Inc. v. Short*, 454 U.S. 516 (1982), to dismiss petitioner's alternative[33] due process argument that he was not given adequate notice of the patent-expiring effect of the maintenance fee statute (p. 34A, *infra*). Citing *Texaco, Inc. v. Short*, the district court ruled that petitioner was not

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[31]*See* p. 9, *supra.*

[32]In petitioner's 11/7/88 memorandum in support of his cross-motion for summary judgment, at p. 26, he relied on *Mennonite* as follows:

"*Mullane* was recently reaffirmed in *Mennonite Board of Missions v. Adams*, 462 U.S. 791 * * * (1983)('[i]n subsequent cases, this Court has adhered unwaveringly to the principle announced in *Mullane*')".

[33]Such argument was even designated "alternative" in petitioner's 11/88 summary judgment memorandum at p. 29.

entitled to any notice beyond publication of the statute (*id.*).

Although petitioner specifically argued to the district court that *Texaco, Inc. v. Short* was distinguishable as involving abandonment of property,[34] the district court's single-sentence analysis of *Texaco, Inc. v. Short* fails to even acknowledge the issue of whether the instant patent could be considered abandoned like the unused mineral interests in *Texaco, Inc. v. Short* (p. 34A, *infra*). Analysis of the *Texaco* case reveals the abandonment distinction.

Texaco, Inc. v. Short held that, under the Indiana Mineral Lapse Act, 20 years nonuse of a mineral interest in coal, oil, gas etc. (454 U.S., at 518) justifies abandonment of the interest and reversion to the surface owner where the burden on the interest owner is "slight" and the benefits to the state "clear" (e.g. encouraging development of the interest)(454 U.S., at 529-30). The reversion occurs automatically by a "self-executing" feature of the Act (*id.*, at 533-34), which, in a limited sense, is similar to the automatic expiration of a patent here if a fee is missed.[35]

Here, however, the patent was actively used, and its loss would be serious—"crippling" the ability of petitioner's business to continue. The only legitimate benefit to the PTO would be the minor one of dispensing with the need to

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[34]As petitioner set forth in his 12/88 reply to the PTO's opposition to his cross-motion for summary judgment, at pp. 10-11:

"[The PTO] cannot take any comfort from authorities holding that a legislature may properly withhold 'pre-extinction notice' for property rights that are extinguished under self-executing statutes similar to that involved here. *E.g., Texaco, Inc. v. Short*, 454 U.S. 516 * * * (1982). This is because the lack of pre-extinction notice has been justified only on the basis of constructive or actual abandonment of property. *Texaco, Inc.*, 454 U.S. at 536, n.28 * * * . [Petitioner's] declaration belies any abandonment [2/88 declaration, p. 2]."

[35]*Supra* note 2.

provide simple, timely letters to patent owners—the PTO cannot rely as a benefit on escaping financial liability, for to do so would nullify due process. In contrast to *Texaco, Inc. v. Short*, here there is neither a showing that Congress intended for patents to go abandoned if a fee is missed, nor a showing that petitioner's "crippling" burden is "slight" and the PTO's minor benefit "clear." Petitioner, thus, never abandoned his patent.

A particularly intricate issue never reached by the district court—and which is "hotly" contested by the PTO[36]—involves the holding in *Texaco, Inc. v. Short* that:

> "The reasoning in *Mullane* is applicable to a judicial proceeding brought to determine whether a lapse of a mineral estate did or did not occur, but not to the *self-executing feature of the Mineral Lapse Act*" (*Texaco, Inc. v. Short, supra,* at 516; emphasis added).

It is nowhere suggested in *Texaco, Inc. v. Short* that the mere presence of a "self-executing" change in property status in a statute disqualifies that change of property status from prior, actual notice of the change. If that were so, the entire §I of the Court's opinion in *Texaco, Inc. v. Short*—which justifies the state's presumption of abandonment under the test of "clear" benefits & "slight" burden—could be dispensed with.

Rather, the self-executing change of property status involved in the Mineral Lapse Act is the change to abandoned status, supported by a state's proper presumption of abandonment based on "clear" benefits and "slight" burden. Such an abandonment is not supported here.

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[36]The PTO asserted that "[petitioner's] due process argument is fully answered by *Texaco, Inc. v. Short*, 454 U.S. 516 (1982)" (PTO appeal brief below, p. 18).

Mullane due process safeguards are thus fully applicable to the distinguishable, self-executing feature of 35 U.S.C. §41(b).[37]

Any suggestion from the *Texaco* Court's distinguishing of *Mullane* in the above passage that *Mullane* applies only to judicial proceedings, moreover, is fully met by the *Pope* Court, *supra*.

The district court's reliance on *North Laramie* is also misplaced. Relying on *North Laramie Land Co. v. Hoffman*, 268 U.S. 276 (1925), the district court apparently reasoned that due process is subserved because petitioner (allegedly) had a "reasonable opportunity" in the PTO adjudication below to protect his property from an arbitrary or unjust appropriation (pp. 35A-36A, *infra*, quoting from *North Laramie*, at 283). The *Pope* case, *supra*, however, supersedes such reasoning by holding that a non-adjudicatory proceeding affecting property—such as the proceeding of petitioner's fee being due—is entitled to due process-mandated actual notice.

The district court also relied on *North Laramie*, quoting part of a sentence as follows: "'All persons are charged with knowledge of the provisions of statutes and must take note of the procedure adopted by them'" (p. 35A, *infra*, quoting from *North Laramie*, at 283). However, the remainder of the sentence continues: "and when that procedure is not unreasonable or arbitrary there are no constitutional limitations relieving [all persons] from conforming to it" (*North Laramie*, at 283).

Here, even if 35 U.S.C. §41(b) established a procedure precluding timely notice—which even the PTO does not suggest, *Mullane* and *Pope*, *supra*, show that such a procedure would be unreasonable and beyond constitutional

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[37] *Supra* note 2.

limits. Those "affected by a proceeding" in *Mullane*, for instance, were afforded much more than mere constructive notice of the procedure of a statute—i.e. they were afforded mail or equivalent notice (*Mullane, supra,* at 318).

More precise analysis needed. The foregoing shows, at a minimum, that the district court's due process analysis was fraught with error, and at most, that it is wholly untenable. In either case, PTO exposure to potentially massive liability in future proceedings—not to mention all those affected by this proceeding—deserve a more precise analysis.

CONCLUSION

For these special and important reasons, this petition for a writ of certiorari should be granted.

Consistent with the statutory charge of the Court of Appeals for the Federal Circuit to provide guidance for lower courts throughout the nation in patent cases,[38] petitioner alternatively seeks a remand to that Court for a prompt written opinion in light of this petition. Such an opinion could resolve the instant patent issues.

Respectfully submitted,

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(212) 645-1856

December 3, 1991

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[38]Under 28 U.S.C. §1295(a)(1), such Court is given exclusive jurisdiction over all patent-related cases brought in the lower courts pursuant to 28 U.S.C. §1338.

Note: Pursuant to Fed. Cir. R. 47.8, this disposition is not citable as precedent. It is a public record. The disposition will appear in tables published periodically.

United States Court of Appeals for the Federal Circuit

Appeal No. 91-1166

Entry date: June 11, 1991

ROBERT J. RYDEEN,

Plaintiff-Appellant,

v.

DONALD J. QUIGG, Honorable Commissioner of Patents and Trademarks,

Defendant-Appellee.

Judgment

ON APPEAL from the U.S. District Court for the District of Columbia in CASE NO. 88-1786

This CAUSE having been considered, it is

ORDERED and ADJUDGED:

Per Curiam (RICH, ARCHER, and MAYER, *Circuit Judges*.)

AFFIRMED. *See* Fed. Cir. R. 36.

ENTERED BY ORDER OF THE COURT

DATED: June 11, 1991

/s/
Francis X. Gindhart, Clerk

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

Civil Action No. 88-1786

Entry date: October 18, 1990

ROBERT J. RYDEEN,

Plaintiff,

v.

DONALD J. QUIGG,
Commissioner of Patents and Trademarks,

Defendant.

MEMORANDUM OPINION

I. *Introduction*

Plaintiff Robert J. Rydeen brings this action seeking review of a final decision of the defendant, Commissioner of Patents and Trademarks, refusing to accept late payment of a maintenance fee required to maintain plaintiff's patent in force. Defendant denied plaintiff's request for a waiver, finding that plaintiff's delay in paying the maintenance fee was not "unavoidable." 35 U.S.C. § 41(c)(1). Plaintiff also challenges the Commissioner's "no-timely-notice" interpretation of the statute in which the Commissioner declared that the Patent and Trademark Office ("PTO") has "no duty to notify patentees when their maintenance fees are due." Final Rules for Patent Maintenance Fees, 49 Fed. Reg. 34,722 (1984), *reprinted in* 1046 *Official Gazette* 34 (September 25, 1984). Presently before the Court are the parties' cross-motions for summary judgment.

Upon review of the briefs and exhibits submitted by the

parties,[1] the administrative record and the relevant law, and for the reasons stated below, we deny plaintiff's cross-motion for summary judgment and grant defendant's motion for summary judgment.

II. *Background*

U.S. Patent No. 4,409,763, covering a particular type of post and beam construction, was issued to plaintiff on October 18, 1983. The patent application was filed on March 23, 1981, and was prosecuted by Attorney Charles E. Bruzga.

In 1980 Congress passed Public Law 96-517, providing that patentees would have to pay maintenance fees to keep their patents in force and that non-payment would result in expiration. The effective date of that law was December 12, 1980, and it applied to all patent applications filed on or after that date. 35 U.S.C. § 41 (Historical and Revision Notes). Pursuant to 35 U.S.C. § 41(b), the first maintenance fee is due three (3) years and six (6) months after the grant of a patent, and the patent will expire unless payment of the maintenance fee is received in the PTO on or before the date the fee is due or within a six month grace period thereafter (four years from date of issue).[2]

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[1] Although plaintiff did not file an opposition to defendant's motion for summary judgment, we accept plaintiff's representation that his cross-motion for summary judgment "inherently opposes" defendant's motion for summary judgment. Plaintiff's Reply to Defendant's Opposition to Cross-Motion for Summary Judgment at 1, n.1.

[2] 35 U.S.C. § 41(b) provides, in pertinent part:

"Unless payment of the applicable maintenance fee is received in the Patent and Trademark Office on or before the date the fee is due or within a grace period of six months thereafter, the patent will expire as of the end of such grace period. The Commissioner may require the payment of a surcharge as a condition of accepting within such six-month grace period the late payment of the applicable maintenance fee."

The original patent grant was sent to Attorney Bruzga,[3] who sent it to the inventor, Mr. Rydeen. It contained the following notice regarding maintenance fees on the inside cover:

> If the application for this patent was filed on or after December 12, 1980, maintenance fees are due three years and six months * * * after the date of this grant, or within the grace period of six months thereafter upon payment of a surcharge as provided by law. The amount, number and timing of the maintenance fees required may be changed by law or regulation.

According to plaintiff and Bruzga, they did not interpret this notice as a warning that they must set up a calendar system to remind them when the maintenance fees were due. They assumed that the PTO would send timely reminders and that they could rely on those reminders. Plaintiff's Cross-Motion for Summary Judgment ("Plaintiff's Motion") at 5.

On August 31, 1984, following a period for notice and comment, the Patent Office published "Final Rules for Patent Maintenance Fees," 49 Fed. Reg. 34716 (1984). The notice indicated that "[u]nder the statutes, the Patent Trademark Office has no duty to notify patentees when their maintenance fees are due." This is the PTO's "no-timely-notice" interpretation of the maintenance fee statutes, 35 U.S.C. §§ 41(b) and 41(c), of which plaintiff complains.

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[3] A power of attorney was filed with the Patent Office identifying C. Bruzga as the attorney of record. 37 C.F.R. §§ 1.363(a), 1.33(a) and 1.34(b).

The notice in the *Federal Register* also alerted patent holders that:

> [t]he Patent and Trademark Office will, however, provide some notices as reminders that maintenance fees are due but the notices, errors in the notices, or the lack of notices, will in no way relieve a patentee from the responsibility to make timely payment of each maintenance fee to prevent the patent from expiring by operation of law. The notices provided by the Patent and Trademark Office will be merely courtesy in nature and intended to aid patentees. These notices, errors in these notices or lack of notices, will in no way shift the burden of monitoring the time for paying maintenance fees on patents from the patentee to the Patent and Trademark office.

49 Fed. Reg. 34723 (August 31, 1984). The first maintenance fee payment for the patent at issue in this action became due on April 18, 1987 and was payable within a six month grace period expiring on October 19, 1987. For a number of reasons that plaintiff discusses at length, Attorney Bruzga did not receive a reminder notice until October 19, the last day of the six month grace period, and did not act upon that notice until the next day.[4]

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[4] At the time Bruzga prosecuted the patent application for plaintiff he lived in Schenectady, New York. In 1985, Bruzga relocated to New York City, filing a change of address form with the United States Postal Service in Schenectady and notifying the Office of Enrollment and Discipline of the PTO. Neither plaintiff nor Bruzga changed the correspondence address of record in the individual patent file in accordance with 37 C.F.R. § 1.363.

On May 24, 1987, the PTO sent a "Maintenance Fee Reminder" notice to Bruzga at his former Schenectady address. The notice was returned to the PTO because the time for forwarding mail to Bruzga's

(continued...)

Under 35 U.S.C. § 41(c)(1), the Commissioner may accept late payment of a maintenance fee if the delay is shown to the satisfaction of the Commissioner to have been "unavoidable." 35 U.S.C. § 41(c)(1). Plaintiff petitioned the PTO to accept his late filed fee and to reinstate his patent. On December 16, 1987, defendant denied plaintiff's petition on the ground that failure to receive timely notice from the PTO cannot serve as the basis of "unavoidable delay." Defendant heard plaintiff's request for reconsideration, but in a decision dated June 1, 1988, 7 U.S.P.Q.2d 1798, did not alter its initial determination.[5] In denying plaintiff's request for reconsideration the PTO held that: 1) mailing of the fee reminder notices is merely a

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[4](...continued)
new address had expired. After a delay of some four months, the PTO apparently retrieved Bruzga's address from the Office of Enrollment and Discipline and re-mailed the notice to Bruzga's current law firm address. However, the notice was addressed to "Chas. E. Grizza." The notice reached Bruzga's law firm at the earliest on October 12, 1987, one week before the critical last day for payment, October 19, 1987.

As was the office routine, the notice was routed to a Maintenance Fee Clerk at the law firm, who generally reviewed such reminders once a week. On October 19, 1987, the clerk reviewed the notice. The misaddressed notice nevertheless was received by Bruzga in the afternoon of October 19, the last day of the six month grace period for late payment of the maintenance fee. Under applicable PTO regulations Bruzga could have timely filed the maintenance fee by depositing the fee and any additional surcharge with the Postal Service prior to midnight on October 19, 1987.

Bruzga did not take any immediate action that day upon receipt of the notice, explaining that he was engaged in rush work for a client of the firm and his previous experience with correspondence from the Patent Office always provided a month or longer for response. Plaintiff's Motion at 9.

[5] For simplicity, we will refer to the PTO's initial decision and reconsideration as the "adjudications" or "adjudicatory decisions."

courtesy; 2) under the statutes and regulations the PTO has no duty to inform patentees when their maintenance fees are due; 3) the lack of a reminder notice will not shift the burden of monitoring the time for paying a maintenance fee from the patentee to the PTO; and 4) plaintiff did not sustain his burden of proving "unavoidable delay" pursuant to 35 U.S.C. § 41(c)(1).

Plaintiff brings this civil action seeking judicial review of the Commissioner's "no-timely-notice" that the PTO has no statutory duty to provide patent owners with notice when their patent maintenance fees are due, and reversal of the PTO's adjudicatory decision based on that interpretation.

III. *Discussion*

A. *Action under the Administrative Procedure Act.*

One of the grounds upon which plaintiff challenges the Commissioner's no-timely-notice interpretation and adjudicatory decision is the Administrative Procedure Act ("APA"), 5 U.S.C. § 551 *et seq.* Plaintiff argues that this Court should find under its reviewing authority of 5 U.S.C. §§ 706(2)(A) and (C) that the Commissioner went beyond the scope of his authority in interpreting the statute, that his interpretation was incorrect, and that, consequently, the Commissioner incorrectly denied plaintiff's petition to accept late maintenance fee payments. For the reasons set forth below, this Court finds that the Commissioner's actions were valid under the standards of the Administrative Procedure Act.

1. *Record on Review*

As a preliminary matter, plaintiff argues that he should be able to augment the record and have the Court consider affidavits of Mr. Rydeen and Mr. Bruzga that were not before the Commissioner in the agency proceedings below.

In regard to plaintiff's APA claims,[6] plaintiff's only argument for admitting the additional affidavits is that 5 U.S.C. § 706(2)(F) authorizes *de novo* review. The Court first points out that none of plaintiff's substantive arguments rest on § 706(2)(F). Moreover, the Supreme Court has made it clear that such *de novo* review is limited to two specific circumstances: (1) when the action is adjudicatory in nature and the agency's fact finding procedures are inadequate, and (2) when issues that were not before the agency are raised in a proceeding to enforce non-adjudicatory agency action. *Citizens to Preserve Overton Park v. Volpe*, 401 U.S. 402, 415 (1971). This case falls into neither of those categories.

The APA provides that in reviewing the validity of agency action, "the court shall review the whole record or those parts of it cited by a party." 5 U.S.C. § 706(2). Such review is generally limited to the administrative record presented by the agency to the reviewing court. *Florida Power & Light Co. v.Lorion*, 470 U.S. 729, 743-44 (1985); *Camp v. Pitts*, 411 U.S. 138, 142 (1973); *Overton Park*, 401 U.S. at 420. Thus, in regard to plaintiff's APA claims, the Court refuses to consider the new affidavits that were not before the Commissioner during the administrative adjudications in plaintiff's case.

2. *Standard of Review*

The APA provides that agency action may be set aside if it is "arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with the law," 5 U.S.C. § 706(2)(A), or "in excess of statutory jurisdiction, authority, or limitations, or short of statutory right," 5 U.S.C. § 706(2)(C). It is well established that "the scope of review

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[6] Most of plaintiff's arguments for admitting these affidavits are based on plaintiff's constitutional claims, which this Court will address separately in section B below.

under the 'arbitrary and capricious standard' is narrow and a court is not to substitute its judgment for that of the agency." *Motor Vehicle Mfrs. Ass'n. v. State Farm Mut. Auto. Ins. Co.*, 463 U.S. 29, 43 (1983). Similarly, reviewing an agency's interpretation of statutes and regulations to make sure they are not "in excess of statutory jurisdiction, authority, or limitations, or short of statutory right," also involves deference to the administrative determinations, unless they are plainly erroneous or inconsistent with the relevant statutes. *Udall v. Tallman*, 380 U.S. 1, 16 (1965); *Gulf Oil Corporation v. Hickel*, 435 F.2d 440, 444-45 (D.C. Cir. 1970); *National Retired Teachers Ass'n. v. U.S. Postal Service*, 430 F. Supp. 141, 145 n. 20 (D.C. 1977).

Plaintiff argues that the Commissioner's no-timely-notice rule does not deserve deference from this Court because it is merely an "interpretation" rather than an official rulemaking. In the specialized field of patent law, however, the Commissioner of Patent and Trademarks is primarily responsible for the application and enforcement of the various narrow and technical statutory and regulatory provisions. His interpretation of these provisions is entitled to considerable deference. *Morganroth v. Quigg*, 885 F.2d 843, 848 (Fed. Cir. 1989); *Ethicon, Inc. v. Quigg*, 849 F.2d 1422, 1425 (Fed. Cir. 1988) ("an agency's interpretation of a statute it administers is entitled to deference"); *see also Chevron U.S.A. Inc. v. Natural Resources Defense Council, Inc.*, 467 U.S. 837, 844 (1984) ("if the statute is silent or ambiguous with respect to the specific issue, the question for the court is whether the agency's answer is based on a permissible construction of the statute").

3. *Application of Standards to Record*

In the context of these standards plaintiff has failed to demonstrate that he is entitled to the relief sought. In

35 U.S.C. § 41(c)(1) Congress delegated authority to the Patent and Trademark Commissioner to accept maintenance fees after the six month grace period of delay is shown "to the satisfaction of the Commissioner" to be "unavoidable." Of course, the Commissioner may not exercise such discretion in a way that contradicts the purposes of the statute or is completely contrary to reason. *See Commissariat a L'Energie Atomique v. Watson*, 274 F.2d 594, 596-97 (D.C. Cir. 1960) ("[W]here valuable rights are at stake, the Commissioner's discretion cannot remain wholly uncontrolled, if the facts clearly demonstrate that the applicant's delay in prosecuting the application was unavoidable, and that the Commissioner's adverse determination lacked any basis in reason or common sense.") Here, however, the Commissioner's "no-timely-notice" interpretation and definition of "unavoidable" were permissible constructions of the relevant statutes.

First, plaintiff argues that the Commissioner's interpretation of "unavoidable" contradicts 35 U.S.C. § 41(c)(1) because the PTO had always interpreted other "unavoidable delay" provisions—namely 35 U.S.C. §§ 133 and 151—as being conditioned on timely mailed notice. Consequently, plaintiff argues, Congress passed § 41(c)(1) on the presumption that the Commissioner would find late maintenance fee payments to be "unavoidable" whenever patentees did not receive timely mailed notice. Defendant's reply is that Congress expressly conditioned §§ 133 and 151 on a specific type of notice,[7] while no such notice

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[7] In pertinent part, § 133 states: "Upon failure of the applicant to prosecute the application within six months after any action therein, *of which notice has been given or mailed to the applicant* * * * the application shall be regarded as abandoned * * * unless it be shown to the satisfaction of the Commissioner that such delay was unavoidable." Even

(continued...)

requirements are written into § 41(c). Defendant then lists other provisions in which Congress has given specific notice requirements whenever it felt it was necessary, and argues that Congress envisioned no such notice requirements for § 41(c). Bolstering defendant's argument is *Smith v. Mossinghoff*, which concludes that the unavoidable delay standard is broader, and "must be decided on case-by-case basis, taking all of the facts and circumstances into account." 671 F.2d 533, 538 (D.C. Cir. 1982).

Plaintiff attempts to rely on the legislative history to show that Congress meant the Commissioner to find delay to be unavoidable whenever a patentee did not receive a reminder notice in the mail. Plaintiff's arguments, however, are unpersuasive. Senator Bayh's "addition to the legislative history" does not rise to the level of authoritative statutory language in contradiction to the Commissioner's interpretation. After all, Congress did not amend the statute to include the type of mailed notice requirement that Senator Bayh suggests. *See* 126 Cong. Rec. 30364-66 (1980).

The Commissioner's interpretation of "unavoidable" and of the PTO's duty to provide reminder notices then, do not plainly contradict the statute. For this reason, we must accord deference to the Commissioner's no-timely-notice interpretation and adjudication in plaintiff's case.

Finally, plaintiff's few references to other patent cases in which the Commissioner accepted late maintenance fee payments are distinguishable and fail to establish that the Commissioner's decision in plaintiff's case was capricious, arbitrary, an abuse of discretion, or otherwise contrary to law.

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[7](...continued)
more direct is § 151, which makes the due date for the remaining balance of the issue fee three months from the sending of a notice.

B. *Constitutional Challenges to Commissioner's Actions.*

Having denied plaintiff relief under the Administrative Procedure Act, we must now address plaintiff's constitutional claims. Independent of any power of review that Congress granted to this Court under the APA, this Court has the authority to examine and rule on any actions of a federal agency that allegedly violate the Constitution.[8] *See Porter v. Califano*, 592 F.2d 770, 780 (5th Cir. 1979). Here, plaintiff makes three separate constitutional arguments: (1) that the Commissioner deprived him of property without due process of law, (2) that the Commissioner denied him equal protection of the law, and (3) that the Commissioner violated the principle of separation-of-powers. For the reasons set forth below, we find that the Commissioner's actions did not violate the Constitution.

1. *Record on Review and Standard of Review*

When reviewing constitutional challenges to agency decisionmaking, courts make an independent assessment of the facts and the law. *Pickering v. Bd. of Educ. of Township High School Dist. 205, Will County*, 391 U.S. 563, 578-79 n. 2 (1968). Thus, we may consider the additional affidavits of Mr. Rydeen and Mr. Bruzga even though they were not before the agency upon administrative review. Furthermore, we need not accord deference to the agency's decisions in regard to plaintiff's constitutional challenges because the courts, not agencies, are experts on constitutional issues. *Porter v. Califano*, 592 F.2d 770, 780 n. 15 (1979). We

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[8] Although plaintiff poses his constitutional challenges directly, the Administrative Procedure Act also provides for Courts to make an independent assessment of constitutional issues. 5 U.S.C. § 706(2)(B). The role of the Court is the same, however, whether plaintiff sues directly under the Constitution or under § 706(2)(B). *See Porter v. Califano*, 592 F.2d 770, 781 (5th Cir. 1979).

turn now to plaintiff's specific challenges.

2. *Due Process*

Plaintiff argues that the expiration of his patent constitutes a deprivation of property without due process of law. Specifically, he argues that the notice he received was inadequate because he should have received mailed notice a reasonable amount of time prior to the expiration date of his patent informing him that his maintenance fee was due. As authority, plaintiff relies on *Mullane v. Central Hanover Bank & Trust Co.*, in which the Supreme Court required that "[w]here the names and post-office addresses of those affected by a *proceeding* are at hand, the reasons disappear for resort to means less likely than the mails to apprise them of its pendency." 339 U.S. 306, 318 (1950) (emphasis added).

Plaintiff's reliance on *Mullane* is misplaced. Plaintiff is not challenging the notice he received informing him of the pendency of proceedings. Rather, he argues that he received insufficient notice of the effect of the patent statute—namely, that his patent would expire unless he paid his maintenance fee within three years and six months of the patent grant. 35 U.S.C. § 41(c)(1). As a constitutional matter, however, plaintiff was not entitled to any notice beyond publication of the statute. *Texaco v. Short*, 454 U.S. 516, 536 (1982) ("[I]t has never been suggested that each citizen must in some way be given specific notice of the impact of a new statute on his property before that law may affect his property rights.") Thus, all of plaintiff's arguments about the defects in the additional notice he received from the PTO—the last minute reminder notice to Mr. Bruzga, the unclear notice on the patent cover, and the invalidity of constructive notice through the Code of Federal Regulations, the Federal Register, and the Official Gazette—are irrelevant. Moreover, even if this Court were convinced that the alleged defects in the PTO's

additional notice procedures mislead plaintiff and caused him and his attorney to misconstrue the maintenance fee statute,[9] this Court could not properly assert equitable estoppel in this case because the defendant committed no affirmative misconduct. *See Schweiker v. Hansen*, 450 U.S. 785, 788-789 (1980); *see also Goldberg v. Weinberger*, 546 F.2d 477, 481 (2nd Cir. 1976) (emphasizing the need to prevent the frustration of federal statutes).

Plaintiff's reliance on *North Laramie Land Co. v. Hoffman*, 268 U.S. 276, 283 (1925) is also misplaced because plaintiff did not distinguish between proceedings and legislative enactments. *North Laramie* specifically affirmed the rule that "[a]ll persons are charged with knowledge of the provisions of statutes and must take note of the procedure adopted by them." 268 U.S. at 283. Plaintiff's confusion is that the Court went on to discuss a reasonableness inquiry of notice. That inquiry, however, was limited to whether "the period of notice of the initiation of *proceedings* and the

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[9] A more accurate characterization of this case is that plaintiff's attorney, Mr. Bruzga, neglected his duties and then tried to place the blame on the PTO. Mr. Bruzga argues that he had no duty to make sure plaintiff's patent remained in force because he was not hired for that purpose. Even if that is true, Mr. Bruzga still should have explained to Mr. Rydeen that the patent would expire if he did not pay maintenance fees by the date set forth in the statute, 35 U.S.C.§ 41(b), and that he, Mr. Bruzga, would not keep track of those due dates for him. Mr. Bruzga cannot blame the PTO for giving him insufficient notice of the rules because, as a registered patent attorney, Mr. Bruzga is expected to keep apprised of changes in PTO rules. If the rules were unclear as of the time Mr. Bruzga last represented Mr. Rydeen, then Mr. Bruzga had the duty to inform his client of the risks of proceeding without legal representation. *See* Model Code of Professional Responsibility DR 2-110(A)(2) ("In any event, a lawyer shall not withdraw from employment until he has taken reasonable steps to avoid foreseeable prejudice to the rights of his clients * * * .")

method of giving it are reasonably adapted to the nature of the *proceedings* and their subject matter and afford to the property owner reasonable opportunity *at some stage of the proceedings* to protect his property from an arbitrary or unjust appropriation." *Id.* Here plaintiff had the opportunity to contest the appropriation of his property at the Commissioner's adjudication of his case, and plaintiff raises no objection to the notice he received prior to those proceedings. Plaintiff did not have a right to personalized notice that his patent would expire if he did not pay his maintenance fee because the notice he received through the publication of 35 U.S.C. § 41(c) was constitutionally sufficient.

3. *Equal Protection*

Plaintiff claims that the Commissioner denied him equal protection of the law in violation of the Fifth Amendment. *See Bolling v. Sharpe*, 347 U.S. 497 (1954). Specifically, he argues that the PTO's delay in sending him a reminder notice and the PTO's misaddressing of that notice lacks a rational relation to a legitimate purpose.

It is well established, however, that plaintiff bears a heavy burden in proving that government action fails the "rational basis" test. *See, e.g., Massachusetts Board of Retirement v. Murgia,* 427 U.S. 307, 314-17. The Commissioner announced in the Final Rules for Patent Maintenance Fees that the PTO will "provide some notices as reminders that maintenance fees are due, but the notices, errors in the notices, or the lack of notices, will in no way relieve a patentee from the responsibility to make timely payment of each maintenance fee to prevent the patent from expiring by the operation of law." 49 *Fed. Reg.* at 34723. Many legitimate purposes exist for making patentees, rather than the PTO, bear the ultimate responsibility for keeping trace of

maintenance fee due dates.[10] Thus, the Commissioner and the PTO did not deny plaintiff equal protection of the law.

4. *Separation of Powers*

Finally, plaintiff alleges that the Commissioner violated the separation-of-powers doctrine when he decided that the PTO has no duty to provide mailed reminder notices. He argues that Congress did not authorize the Commissioner to make that decision, and furthermore, that such a decision should only be decided by Congress.

In making such an argument plaintiff contradicts himself. Plaintiff has stated that the Commissioner has general power under 35 U.S.C. § 6(a) to make decisions about what kind of notice patentees should receive, and that Congress' silence on the issue of notice is not proof that no notice is required because Congress cannot be expected to "hold the hand" of the Commissioner on every decision. Plaintiff's Motion at 15. On the other hand, plaintiff seems to be arguing that the Commissioner does not have the authority to assume such a "major policy decision." The only way in which plaintiff's arguments make any sense at all is if he is arguing that Congress has created a presumption that the PTO will provide mailed notice to patentees which Congress need not spell out in every provision because the Commissioner does not have the authority to defeat that presumption.

Plaintiff's separation-of-powers claims are unpersuasive. First, Congress has not created a presumption that the PTO will provide mailed notice to patentees.[11] Second, the

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[10] One legitimate purpose, for example, is to further the sound and efficient administration of the PTO by eliminating the duty to perform unnecessary tasks. *Cf. U.S. v. Fausto,* 484 U.S. 439, 108 S.Ct. 668 672 (1988) (upholding a statute that Congress enacted in response to the needs of "sound and efficient administration.")

[11] See discussion above in Section III.A.3.

Commissioner does have general authority to interpret the maintenance fee statutes, and that includes the power to decide whether the PTO will provide any additional notice to patentees, beyond the publication of the statute, of when those fees are due. 35 U.S.C. § 6(A). Thus, the Commissioner was authorized to decide that the PTO will have no duty to provide extra notice. Finally, the authority that plaintiff cites does not support the conclusion that maintenance fee notices are such a "major policy question" as to be beyond congressional delegation to an administrative agency. *See Sunshine Anthracite Coal Co. v. Adkins*, 310 U.S. 381, 398 (1940) ("Delegation by Congress has long been recognized as necessary in order that the exertion of legislative power does not become a futility.")

IV. *Conclusion*

Upon consideration of defendant's motion for summary judgment, plaintiff's cross-motion for summary judgment, the opposition thereto and the entire record herein, we find that the Commissioner's determination that plaintiff failed to meet the "unavoidable delay" standard justifying acceptance of a late maintenance fee was not arbitrary, capricious, or an abuse of discretion, nor was it in excess of statutory jurisdiction, authority or limitations, or short of statutory right. Furthermore, we find that the PTO's actions neither violated the separation of powers, nor denied plaintiff equal protection or due process of law. We therefore deny plaintiff's cross-motion for summary judgment and grant defendant's motion for summary judgment.

An Order consistent with the above has been filed this date.

Dated: 17 October 1990

/s/
JOHN H. PRATT
United States District Judge

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

Civil Action No. 88-1786

Entry date: October 18, 1990

ROBERT J. RYDEEN,

Plaintiff,

v.

DONALD J. QUIGG,
Commissioner of Patents and Trademarks,

Defendant.

ORDER

Upon consideration of defendant's motion of summary judgment, plaintiff's cross motion for summary judgment, defendant's opposition, and plaintiff's reply, and for the reasons set forth in the accompanying memorandum opinion, it is by the Court this 17th day of October, 1990,

ORDERED that defendant's motion for summary judgment is granted, and it is

ORDERED that plaintiff's cross motion for summary judgment is denied, and it is

FURTHER ORDERED that plaintiff's cause of action is dismissed with prejudice.

/s/
JOHN H. PRATT
United States District Judge

THE OFFICE OF THE DEPUTY ASSISTANT COMMISSIONER FOR PATENTS

In re Patent No. 4,409,763
Issue Date: October 18, 1983
Serial No. 246,612
Filed: March 23, 1981
For: POST AND BEAM BUILDING

Entry date: June 8, 1988

Request for Reconsideration of Decision of December 16, 1987

DECISION ON RECONSIDERATION

A request for reconsideration of the Patent and Trademark Office (PTO) decision of December 16, 1987 was filed on February 19, 1988 under 37 C.F.R. § 1.378(e) together with a petition under 37 C.F.R. § 1.183 for waiver of requirement of PTO interpretation of 37 C.F.R. § 1.378(b) requiring long-term calendar systems, by patentee Robert J. Rydeen and his attorney, Charles E. Bruzga. The request for reconsideration was supplemented by Attorney Bruzga in the Memorandum filed on March 17, 1988.

BACKGROUND

Chronology of Events

On October 18, 1983, patent application Serial No. 246,612 filed by inventor Robert J. Rydeen matured into Patent No. 4,409,763. The patent application was prosecuted by Attorney Charles E. Bruzga as a sole practitioner outside his employment with the General Electric Company. The patent in question was the only one prosecuted to issuance by Attorney Bruzga as a sole practitioner. The Letters Patent was sent to Attorney Bruzga. The inside cover of the Letters Patent contained a

notice regarding maintenance fees. Since there was no warning such as "This is your Final Notice," Attorney Bruzga considered the notice as a mere announcement that maintenance fees would become due during the life of the patent, rather than something that should be docketed by establishing a long-term calendar system. Attorney Bruzga relied on the PTO to send him a notice of maintenance fees due and mailed the patent to the inventor, Mr. Rydeen.

The PTO mailed a reminder of maintenance fees due on May 24, 1987 to the correspondence address of record in Schenectady, New York. The reminder was returned to the PTO because the forwarding time to the attorney's new address in New York City had expired. The reminder was remailed to Attorney Bruzga's new address which was apparently obtained from the PTO attorney roster. The maintenance fee envelope containing Attorney Bruzga's earlier address was placed in a larger envelope containing the new address, but having the name Charles E. Grizza.

The maintenance fee reminder was received by Mr. Bruzga's law firm about one week before the expiration of the grace period. Ms. Dorothy Jenkins, the receptionist for the law firm, forwarded the envelope within hours of receipt to the docket clerk.

Ms. Annemarie Giuriceo states that she is the docket clerk for the law firm and as such would forward to the maintenance fee clerk all correspondence relating to maintenance fees. Her duties are the same as those of her predecessor, Mr. Charles Rodriguez, who was the docket clerk at the time of receipt of the maintenance fee reminder in question.

Ms. Ellen Meilman, the maintenance fee clerk, allowed the maintenance fee reminder to remain in her in-box for a week, at most, before acting on it on October 19, 1987. On that day she left the reminder with Mr. Bruzga after a delay of several hours as a result of some confusion related to the

incorrect name used on the outer envelope and the fact that the patent in question was not in the law firm's records. Ms. Meilman did not review the due date for the fee because she did not expect it to be imminent.

Mr. Bruzga received the maintenance fee reminder about 4 p.m. or 5 p.m. on October 19, 1987, the last day of the six-month grace period. On that day, Mr. Bruzga was engaged in completing another application. Furthermore, he was unaware of the urgent nature of the fee due date. The next day, upon review of the maintenance fee reminder, Mr. Bruzga realized that he had missed the deadline for payment by one day.

The petition to accept delayed payment of the maintenance fee was filed on November 9, 1987.

Maintenance Fee Statute and History

On December 12, 1980, Public Law 96-517 was enacted establishing the requirement to pay a first maintenance fee three (3) years and six (6) months after the grant of the patent. The relevant portion is contained in 35 U.S.C. 41(c):

> (c) * * * Fees for maintaining a patent in force will be due three years and six months, seven years and six months, and eleven years and six months after the grant of the patent. Unless payment of the applicable maintenance fee is received in the Patent and Trademark Office on or before the date the fee is due or within a grace period of six months thereafter, the patent will expire as of the end of such grace period. * * *

On August 27, 1982, Public Law 97-247 was enacted, providing for reinstatement of a patent which expired for failure to pay maintenance fees upon a showing of "unavoidable" delay.

On September 25, 1984, final rules for patent maintenance fees were published. 1046 *O.G.* 28 (September 25, 1984).

On November 8, 1984, Public Law 98-622 was enacted, extending the Commissioner's authority to accept late payment of maintenance fees for unavoidable delay to applications filed on or after December 12, 1980 and before August 27, 1982.

OPINION

The Commissioner may accept late payment of the maintenance fee if the delay is shown to the satisfaction of the Commissioner to have been "unavoidable"; 35 U.S.C. 41(c)(1).

Unavoidable delay under 35 U.S.C. 41(c)(1) is considered to be the same standard as that for reviving an abandoned application under 35 U.S.C. 133. "Unavoidable delay" must be decided on a "case-by-case basis, taking all of the facts and circumstances into account." *Smith v. Mossinghoff*, 671 F.2d 533, 213 USPQ 977, 982 (D.C. Cir. 1982). The standard for "unavoidable delay" is the "reasonably prudent person" standard. *Ex parte Pratt*, 1887 Dec. Comm'r. Pat. 31, 32-33 (Comm'r. Pat. 1887); *In re Mattullath*, 38 App. D.C. 497, 514-515 (D.C. Cir. 1912).

Petitioner attempts to establish unavoidable delay by outlining the circumstances surrounding late receipt of the reminder notice. It is initially noted that reminder notices are mailed out merely as a courtesy. Under the statutes and regulations, the PTO has no duty to notify patentees when their maintenance fees are due. It is the responsibility of the patentee to assure that the maintenance fee is timely paid to prevent expiration of the patent. The lack of a reminder notice will not shift the burden of monitoring the time of paying a maintenance fee from the patentee to the PTO. See 1046 *O.G.* 28. Since patentees are expected to maintain their own record systems to ensure timely payment of the maintenance fee, petitioner should not have relied on receipt of the reminder notice as the sole means to ensure timely

payment of the maintenance fee.

This is particularly so when petitioner did not take the necessary steps to file a change of address in the patent file in question. 37 C.F.R. § 1.33(d), effective November 1, 1984, put petitioner on notice that the correspondence address of record in the patent file will be used for all correspondence relating to maintenance fees unless a separate "fee address" is provided. Petitioner's filing of his change of address with the Office of Enrollment and Discipline in 1986 did not change the correspondence address for this patent. Therefore, the reminder notice was initially mailed to petitioner at an out-of-date address and could not be delivered. Petitioner's failure to file a change of address in the patent file is not unavoidable within the meaning of 35 U.S.C. 41(c)(1).

Under 37 C.F.R. § 1.378(b), a showing that "reasonable care was taken to ensure that the maintenance fee would be paid timely" will be evidence of unavoidable delay. While there is no requirement in 37 C.F.R. § 1.378(b) for a long-term calendar system, petitioner's failure to record the due date for payment of the maintenance fees in this case cannot support a finding of unavoidable delay.

Petitioner states that he had no actual knowledge of the PTO interpretation of 37 C.F.R. § 1.378 that "[A]n argument that the patentee was ignorant of the requirement to pay maintenance fees would not constitute a showing of unavoidable delay." Petitioner further states that he has no actual knowledge that the PTO would not provide timely notice of maintenance fees becoming due. Petitioner, as a registered attorney, has an obligation to stay abreast of the current statutes, rules and procedures. Note 37 C.F.R. § 10.77. In fact, had petitioner read the maintenance fee rule package published September 25, 1984 at 1046 *O.G.* 28, petitioner would have known that patentees were expected to maintain their own record systems and could have easily

retrieved the sole patent he had prosecuted as a sole practitioner. Accordingly, petitioner's lack of actual knowledge of the PTO's rules and procedures is not unavoidable within the meaning of 35 U.S.C. 41(c)(1).

The showing of record fails to establish that the patentee or petitioner took any steps to ensure timely payment of the maintenance fee as required by 37 C.F.R. § 1.378(b)(3).

Petitioner argues in favor of acceptance of delayed payment of maintenance fees by alluding to the commercial success of the patent. The PTO cannot apply the patent statutes and rules selectively, based on commercial success of a patent. It would be appropriate, however, for petitioners or those acting on their behalf to exercise extraordinary care to insure that so valuable a property not be lost through failure to follow laws and regulations. See *Ex parte Ilgner,* 1906 C.D. 182.

Petitioner states that the notice on the original patent was obscured by not being placed on the front cover and that the language used in the notice was not reasonably calculated to apprise the patentee or petitioner that such notice was considered by the PTO as the final notice. Petitioner states that a warning on the patent cover such as "THIS IS YOUR FINAL NOTICE" would have prompted him to institute a long-term calendar system. The Commissioner finds that the notice on the patent, publication of Public Law 96-517 establishing the requirement to pay maintenance fees, and publication on September 25, 1984 of final rules for patent maintenance fees, constitutes proper notice to patentee and petitioner that maintenance fees will be due three and one half years after issue if the application for the patent was filed on or after December 12, 1980. Furthermore, the PTO *Official Gazette* publishes a Notice of Maintenance Fees Payable which notes that maintenance fees may not be paid on patents which have patent number within a particular range. The *Official Gazette* of October 21, 1986 contained

the notice concerning this patent.

Petitioner argues that the inventor, Robert Rydeen, did not interpret the notice on the patent as a "Final Notice"; rather, he viewed it as a mere announcement to be prepared to pay fees at various times. Actual knowledge by the patentee is not required in this instance since Mr. Rydeen was represented by counsel. Mr. Rydeen hired Mr. Bruzga to represent him and Mr. Bruzga viewed his own role as one having responsibility for the patent. The acts and omissions of counsel are attributable to the patentee. *Haines v. Quigg*, 673 F. Supp. 314, 5 USPQ2d 1130 (N.D. Ind. 1987). See also, *Link v. Wabash Railroad Co.*, 370 U.S. 626, 633-34, 82 S.Ct. 1386, 1390-91 (1962) ("Petitioner voluntarily chose his attorney as his representative in the action and he cannot now avoid the consequence of the acts or omissions of this freely selected agent * * *. Each party is deemed bound by the acts of his lawyer-agent and is considered to have 'notice of all facts, notice of which can be charged upon the attorney.'"); *Inryco, Inc. v. Metropolitan Engineering Co., Inc.*, 708 F.2d 1225, 1233 (7th Cir. 1983).

The expiration of this patent is not a taking of patentee's property without due process of law as argued by petitioner. Public Law 96-517, enacted on December 12, 1980, required that a maintenance fee be paid on or before the fourth anniversary of the grant of the patent to prevent expiration of the patent. This requirement applied to applications filed on or after December 12, 1980. Since this application was filed on March 23, 1981, patentee and petitioner were on constructive notice of the requirement to pay maintenance fees. Furthermore, the patentee and petitioner were on actual notice of the requirement to pay maintenance fees due to the notice on the patent cover. Finally, the Official Gazette of October 21, 1986 gave further notice that a maintenance fee was due on this patent. In reality, the actual grant of the patent on October 18, 1983 was limited by

Public Law 96-517 to a grant of only four (4) years unless a first maintenance fee was timely paid. Therefore, patentee's own failure to pay the maintenance fee caused the patent to expire without any actual taking of any patent rights by the Patent and Trademark Office.

Petitioner requests that the requirements of § 1.378(b)(3) be waived. However, the requirements for a showing of unavoidable delay is statutory and cannot be waived. Furthermore, patentee's lack of knowledge of patent statutes and rules does not constitute unavoidable delay within the meaning of 35 U.S.C. 41(c)(1). Therefore, waiver of § 1.378(b)(3) is moot.

CONCLUSION

Petitioner has failed to establish that the delay in payment of maintenance fees was unavoidable as required by 35 U.S.C. 41(c)(1).

Since this patent will not be reinstated, it is appropriate to refund the maintenance fee and surcharge fee submitted by petitioner. Petitioner may obtain a refund of these fees by submitting a request, accompanied by a copy of this decision, to the Office of Finance.

As stated in 37 C.F.R. § 1.378(e), no further reconsideration or review of this matter will be undertaken.

The request for reconsideration is granted to the extent that the prior decision has been reconsidered, but is denied with respect to making any change therein.

THIS IF A FINAL AGENCY DECISION.

/s/_____

James E. Denny
Deputy Assistant Commissioner
of Patents

Note: Pursuant to Fed. Cir. R. 47.8, this order is not citable as precedent. It is a public record.

United States Court of Appeals for the Federal Circuit

Appeal No. 91-1166

Entry date: September 4, 1991

(U.S.D.C. - 88-1786)

ROBERT J. RYDEEN,

Plaintiff-Appellant,

v.

DONALD J. QUIGG, Honorable
Commissioner of Patents and Trademarks,

Defendant-Appellee.

Order

Before RICH, Circuit Judge, ARCHER, Circuit Judge, and MAYER, Circuit Judge.

A petition for rehearing having been filed in this case,

UPON CONSIDERATION THEREOF, it is

ORDERED that the petition for rehearing be, and the same hereby is, denied.

The mandate will issue on September 11, 1991.

FOR THE COURT,

DATED: Sept. 4, 1991 /s/_____
Francis X. Gindhart, Clerk

Prior "Unavoidable Delay" Provisions

In reverse chronological order, the "unavoidable delay" provision 35 U.S.C. §133 and its predecessors are as follows:

35 U.S.C. § 133 (July 19, 1952, ch. 950, 66 Stat. 801):

Upon failure of the applicant to prosecute the application within six months after any action therein, of which notice has been given or mailed to the applicant, or within such shorter time, not less than thirty days, as fixed by the Commissioner in such action, the application shall be regarded as abandoned by the parties thereto, unless it be shown to the satisfaction of the Commissioner that such delay was unavoidable.

August 7, 1939, ch. 568, 53 Stat. 1264:

All applications for patents shall be completed and prepared for examination within six months after the filing of the application, and in default thereof, or upon failure of the applicant to prosecute the same within six months or such shorter time, not less than thirty days or any extensions thereof, as shall be fixed by the Commissioner of Patents in writing to the applicant after any action therein, of which notice shall have been given to the applicant, they shall be regarded as abandoned by the parties thereto, unless it be shown to the satisfaction of the Commissioner of Patents that such delay was unavoidable.

March 2, 1927, ch. 273, § 1, 44 Stat. 1335:

All applications for patent shall be completed and prepared for examination within one year after the filing of the application, and in default thereof, or upon failure of the applicant to prosecute the same within one year after any action therein, of which notice shall have been given to the applicant, they shall be regarded as abandoned by the parties thereto, unless it be shown to the satisfaction of the Commissioner of Patents that such delay was unavoidable.

July 6, 1916, ch. 225, § 1, 39 Stat. 345, 347-8:

All applications for patents shall be completed and prepared for examination within one year of the filing of the application, and in default thereof, or upon failure of the applicant to prosecute the same within one year after any action therein, of which notice shall have been given to the applicant, they shall be regarded as abandoned by the parties thereto, unless it to be shown to the satisfaction of the Commissioner of Patents that such delay was unavoidable * * *.

March 3, 1397, ch. 391, § 4, 29 Stat. 692, 693:

All applications for patents shall be completed and prepared for examination within one year after the filing of the application, and in default thereof, or upon failure of the applicant to prosecute the same within one year after any action therein, of which notice shall have been given to the applicant, they shall be regarded as abandoned by the parties thereto, unless it be shown to the satisfaction of the Commissioner of Patents that such delay was unavoidable.

July 8, 1870, ch. 230, § 32, 16 Stat. 202:

That all applications for patents shall be completed and prepared for examination in two years after the filing of the petition, and in default thereof, or upon failure of the applicant to prosecute the same within two years after any action therein of which notice shall have been given to the applicant, they shall be regarded as abandoned by the parties thereto, unless it can be shown to the satisfaction of the commissioner that such delay was unavoidable.